

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: February 12, 2001

Recommended Action:

Approve the leases for the benefit of the institutions as summarized below. **(ROLL CALL VOTE)**

Executive Summary:

The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote. The leases presented this month have been reviewed by the Attorney General's Office and are recommended for approval. A listing of principals is included as Attachment A to this docket memorandum.

The University of Iowa requests approval of the following:

- lease agreement with Digital Artefacts for its use of business incubator space at the Oakdale Research Park;
- lease renewals with Covenant Medical Center, Waterloo, Iowa, and Creston Greater Community Hospital, Creston, Iowa, for the University's use of space for the Child Health Specialty Clinics; and
- lease agreement with the University of Iowa Community Medical Services for the University's use of space in Iowa City for a satellite donor facility for the UIHC Blood Program.

Iowa State University requests approval of the following:

- lease agreements with Biotronics and NewLink Genetics for their use of business incubator space at the ISU Research Park;
- lease renewal with Western Iowa Tech Community College, Sioux City, Iowa, for the University's use of space for the Northwest Iowa Area Extension Office/Outreach Center;
- lease agreement with the Iowa State University Research Park Corporation for the University's use of space to house the Institute for Social and Behavioral Research; and
- Amendment #4 to the lease agreement with the U. S. Government for the Government's use of additional land to expand facilities at the Plant Introduction Station in Ames.

The University of Northern Iowa requests approval of the following:

- lease renewal with Northwest Hockey for the use of Waterloo Riverfront Stadium by the University baseball team; and
- lease agreement with the City of Waterloo for the University's use of renovated space in the Old Chicago Great Western Depot in downtown Waterloo, which would provide improved facilities to house the UNI-CUE (Center for Urban Education) program, which would relocate from its existing location in downtown Waterloo.

Background and Analysis:

A. UNIVERSITY OF IOWA

1. DIGITAL ARTEFACTS, L.L.C. (Tenant)—The University requests approval to renew its lease as lessor with Digital Artefacts for its use of 528 square feet of space in the Technology Innovation Center at the Oakdale Campus. The space will be leased at the rate of \$264 per month (\$6 per square foot, \$3,168 per year) for a one-year period commencing April 1, 2001, through March 31, 2002. This is the same rate paid under the current lease agreement.

Digital Artefacts is an information visualization company which provides real-time graphics and simulation solutions for emerging non-traditional markets. Application areas include virtual historical exhibits, liberal arts education, industrial plant and data visualization, and city and regional planning. The space will be used primarily to develop visual databases, models, and modeling software and tools.

The tenant agrees to indemnify, defend, and hold harmless the University as customarily required.

2. COVENANT MEDICAL CENTER (Landlord)—The University requests approval to renew its lease as lessee with Covenant Medical Center, Waterloo, Iowa, for the University's use of 1,570 square feet of office and clinic space located in the Covenant Medical Center building. The space will be leased for use by the Child Health Specialty Clinics Division of the Department of Pediatrics.

The space will be leased for a two-year period commencing April 1, 2001 through March 31, 2003, at the rate of \$785 per month (\$6 per square foot, \$9,420 per year). This is an increase of approximately 9 percent (\$0.50 per square foot) over the current lease agreement.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

3. CRESTON GREATER COMMUNITY HOSPITAL (Landlord)—The University requests approval to renew its lease as lessee with the Creston Greater Community Hospital, Creston, Iowa, for the University's use of 430 square feet of office and clinic space located in Creston Community Hospital. The space will be leased for use by the Child Health Specialty Clinics Division of the Department of Pediatrics.

The space will be leased for a two-year period commencing April 1, 2001 through March 31, 2003, at the rate of \$300 per month (\$8.37 per square foot, \$3,600 per year). This is the same rate as paid under the current lease agreement.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

4. UNIVERSITY OF IOWA COMMUNITY MEDICAL SERVICES, INC. (Landlord)—The University requests approval to enter into a new lease agreement as lessee with University of Iowa Community Medical Services, for the University's use of 2,875 square feet of clinic space located at 1130 Scott Boulevard in Iowa City, Iowa. The space will be leased for use as a satellite donor facility for the UIHC Blood Program.

The space will be leased at the rate of \$4,068 per month (\$16.98 per square foot, \$48,816 per year) for a five-year period commencing April 1, 2001, through March 31, 2006.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

B. IOWA STATE UNIVERSITY

1. The University requests approval of the following lease agreements as lessor for business incubator space in the Iowa State Innovation System at the ISU Research Park. In all cases the tenants agree to indemnify, defend, and hold harmless the University as customarily required.
 - a. BIOTRONICS, INC. (Tenant)—The University requests approval to enter into a lease agreement as lessor with Biotronics for its use of 110 square feet of space at the rate of \$200 per month (\$21.82 per square foot, \$2,400 per year) for approximately a six-month period commencing February 15, 2001, through August 31, 2001.

Biotronics, Inc., was formed to develop products and services for ultrasound evaluation of body composition and quality. Biotronics will develop, manufacture, and sell systems that support image-capturing and storage processes for use in the collection of ultrasound images on livestock. These systems would be used to measure the muscle density and fat distribution of live animals for the process of grading meat.

- b. NEWLINK GENETICS, INC. (Tenant)—The University requests approval to enter into a lease agreement as lessor with NewLink Genetics for its use of 275 square feet of space. The tenant will lease approximately 165 square feet of space (Suite 3505) at the rate of \$300 per month (\$21.82 per square foot, \$3,600 per year), and approximately 110 square feet of space (Suite 3510) at the rate of \$200 per month (\$21.82 per square foot, \$2,400 per year). Suite 3505 will be leased for a one-year period commencing February 1, 2001, through January 31, 2002. Suite 3510 would be leased on a monthly basis so that it would be available, if needed, for use by another new tenant at the Research Park.

NewLink Genetics will utilize information expected to be completed on the sequencing of the human genome to develop a large functional genomics database. This information will be used to develop therapeutic targets for the prevention and treatment of diseases.

2. WESTERN IOWA TECH COMMUNITY COLLEGE (Landlord)—The University requests approval to renew its lease as lessee with Western Iowa Tech Community College for the University's use of 1,148 square feet of office space and 45 square feet of storage space located on the Western Iowa Tech Community College campus in Sioux City, Iowa. The space is leased by the University for the Northwest Iowa Area Extension Office/Outreach Center.

The lease will be renewed for a 27 month period commencing April 1, 2001, through June 30, 2003, at the rate of \$1,148 per month (\$12 per square foot, \$13,776 per year). This is an increase of approximately 16.6 percent (\$1.71 per square foot) over the current lease rate.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

3. IOWA STATE UNIVERSITY RESEARCH PARK CORPORATION (Landlord)—The University requests approval to enter into a lease agreement as lessee with the Iowa State University Research Park Corporation for the University's use of 23,947 square feet of office space to house the Institute for Social and Behavioral Research (formerly the Social and Behavioral Research Center for Rural Health). The space will be leased at the rate of \$21,452.52 per month (\$10.75 per square foot, \$257,430.24 per year) for a 63 month period commencing April 1, 2001, through June 30, 2006.

The University currently leases 21,239 square feet of space at the ISU Research Park for the Institute, which continues to expand its research programs with new external support. The University reports that the additional 2,708 square feet of space in the proposed lease is located adjacent to the Institute's existing space and is needed to accommodate the Institute's existing staff and the projected growth in the program.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

4. U. S. GOVERNMENT (Tenant)—The University requests approval of Amendment #4 to its land lease with the U. S. Government. The University entered into the lease agreement in 1986 for the U. S. Government's use of approximately 1.2 acres of land for construction of an Entomology Building at the Plant Introduction Station located in the southwest area of campus. Maps which indicate the location of the facilities (southwest of the main campus and north of Highway 30) are included as Attachments B and C.

The three previous amendments to the agreement have increased the total land for use by the U. S. Government at the Station to approximately 1.3 acres. The amendments provided land for the construction of additional facilities for Plant Introduction Station research (the USDA Machine Storage Building and Greenhouse, and the University's Seed Storage Building), and the installation of a fire suppression system at the Seed Storage Building.

Amendment #4 would increase the total amount of leased land to approximately 1.5 acres. The additional land would allow the U. S. Government to construct additions to the Machine Storage and Seed Storage facilities. The Government is in need of additional storage space for both buildings to accommodate the existing programs. The additions would be constructed at no cost to the University.

C. UNIVERSITY OF NORTHERN IOWA

1. NORTHWEST HOCKEY, INC. (Landlord)—The University requests approval to renew its lease as lessee with Northwest Hockey, Inc., Waterloo, Iowa, for the University's use of Waterloo Riverfront Stadium. The stadium is used as a practice facility and for home games of the University's baseball team. The Missouri Valley Conference rules require that baseball games be played in a stadium with a pressbox, stands, restrooms and a tarp; Waterloo Riverfront Stadium is the only site available in the area which meets these requirements.

The stadium will be leased at the rate of \$12,500 per year for the initial term commencing March 19, 2001, through December 31, 2001; the lease allows for continuation for full calendar years thereafter unless either party provides 60 days written notice of termination.

The lease rate provides for the University's use of the stadium and includes all supplies, services, and stadium amenities including field preparation, maintenance and supplies, and use of the press box, locker rooms and restrooms. The lease requires the University to be responsible for the installation and maintenance of press box phone lines during the University's spring baseball schedule, and to provide ticket takers/sellers for all of the University's home games. The University must also designate a "game manager" to serve as a liaison among the University, the facility, the visiting team, and game officials for each home game.

Under the agreement, the University is entitled to 60 percent of gate receipt revenue, and 100 percent of season ticket sales and sponsorship advertising revenue. The Waterloo Bucks are entitled to 40 percent of gate receipt revenue, and 100 percent of concession sales and facility advertising revenue.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.

2. CITY OF WATERLOO (Landlord)—The University requests approval to enter into a new lease as lessee with the City of Waterloo for the University's use of 17,545 square feet of space in the Old Chicago Great Western Depot located at 800 Sycamore Street (at the corner of Sycamore Street and East Sixth Street) in downtown Waterloo. The space would be leased by the University to house the UNI-CUE (Center for Urban Education) program which would relocate from its current location in 11,000 square feet of space on East Fourth Street in downtown Waterloo. A map which indicates both locations is included as Attachment D. The space would be leased for a ten-year period commencing August 21, 2001, through August 20, 2011, at the rate of \$6,035.08 per month (\$4.13 per square foot, \$72,420.96 per year).

The components of the UNI-CUE program include the Educational Opportunity Center, Educational Talent Search, Upward Bound, and the recently approved Gear-Up Program. UNI-CUE's mission is to provide a positive environment for lifelong learning and allow individuals to pursue their educational goals and prepare for careers. UNI-CUE personnel collaborate with other campus departments and community programs to match the Center's resources with community needs. The UNI-CUE programs benefit both the participants and the University students by providing field experiences in an urban area.

The relocation of the UNI-CUE program from its current location in a former grocery store to newly renovated space would realize the University's long-standing desire for additional space, improved parking, and enhanced functionality for the program, while maintaining the program's presence in the heart of the urban area of Waterloo.

As part of its ambitious Waterloo Millennium Plan, the City of Waterloo proposes to custom-design the interior of this historic freight depot to fit the needs of UNI-CUE; this would allow the University to take an early lead in a major effort to redevelop downtown Waterloo. The City would be responsible for the renovation project and all associated costs.

The University requests approval of the lease at this time in order to make a commitment to the City for the lease of the space. The City would begin the improvements to the depot following approval of the lease agreement.

The agreement allows the University to terminate the lease if the University constructs and/or leases similar space in the Black Hawk Education Center in Waterloo. This Center, which is also proposed for development as part of the Waterloo Millennium Plan, would house programs of the University of Northern Iowa, Hawkeye Community College, and the Allen School of Nursing, for the purpose of promoting lifelong learning in the Waterloo area. The University reports that the Center has been proposed in concept only at this time; however, inclusion of this provision in the lease agreement would allow the University to relocate to the new Center if it is developed within the next ten years.

The University reports that it has yet to make a determination relative to the use of the existing UNI-CUE facility following relocation of the program to the depot; this would be determined after UNI-CUE vacates the space.

The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with Iowa Code Chapter 669.


Sheila Lodge

Approved: 
Frank J. Stork

Attachment A

Listing of Principals for Leases

March 2001

<u>Lease</u>	<u>Principals</u>
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University of Iowa

<u>Digital Artefacts</u>	<u>Joan Severson, President</u>
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Joan Severson is a graduate assistant in the Computer Science Department.

<u>Covenant Medical Center</u>	<u>Andrew Huff, Vice President</u>
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The principal has no affiliation with the University.

<u>Creston Greater Community Hospital</u>	<u>Ron Davis, CEO</u>
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The principal has no affiliation with the University.

<u>University of Iowa Community Medical Services</u>	<u>Terry J. Protextor, Exec. Dir.</u>
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The principal has no affiliation with the University.

Iowa State University

<u>Biotronics</u>	<u>Doyle E. Wilson</u> <u>Gene H. Rouse</u> <u>Viren R. Amin</u> <u>Craig L. Hays</u>
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Doyle Wilson and Gene Rouse are currently employed as professors in the Department of Animal Science. Viren Amin is an associate scientist in the Center for Nondestructive Evaluation. Craig Hays was formerly employed as an assistant scientist in the Department of Animal Science; he is now employed as the manager of the Centralized Ultrasound Processing project in the Department.

The University reports payments to each of the principals in accordance with established purchasing procedures.

NewLink Genetics

Nick Vahanian
Tatiana Seregina
Charles Link

Charles Link is a collaborator in the Departments of Zoology and Genetics.

Western Iowa Tech Community College

Derrick R. Franck, Board President

The principal has no affiliation with the University.

ISU Research Park Corporation

Steven T. Carter, Interim Director

The University reports payments to Steven Carter in accordance with established purchasing procedures.

U. S. Government

Floyd P. Horn

The principal has no affiliation with the University.

University of Northern Iowa

Northwest Hockey

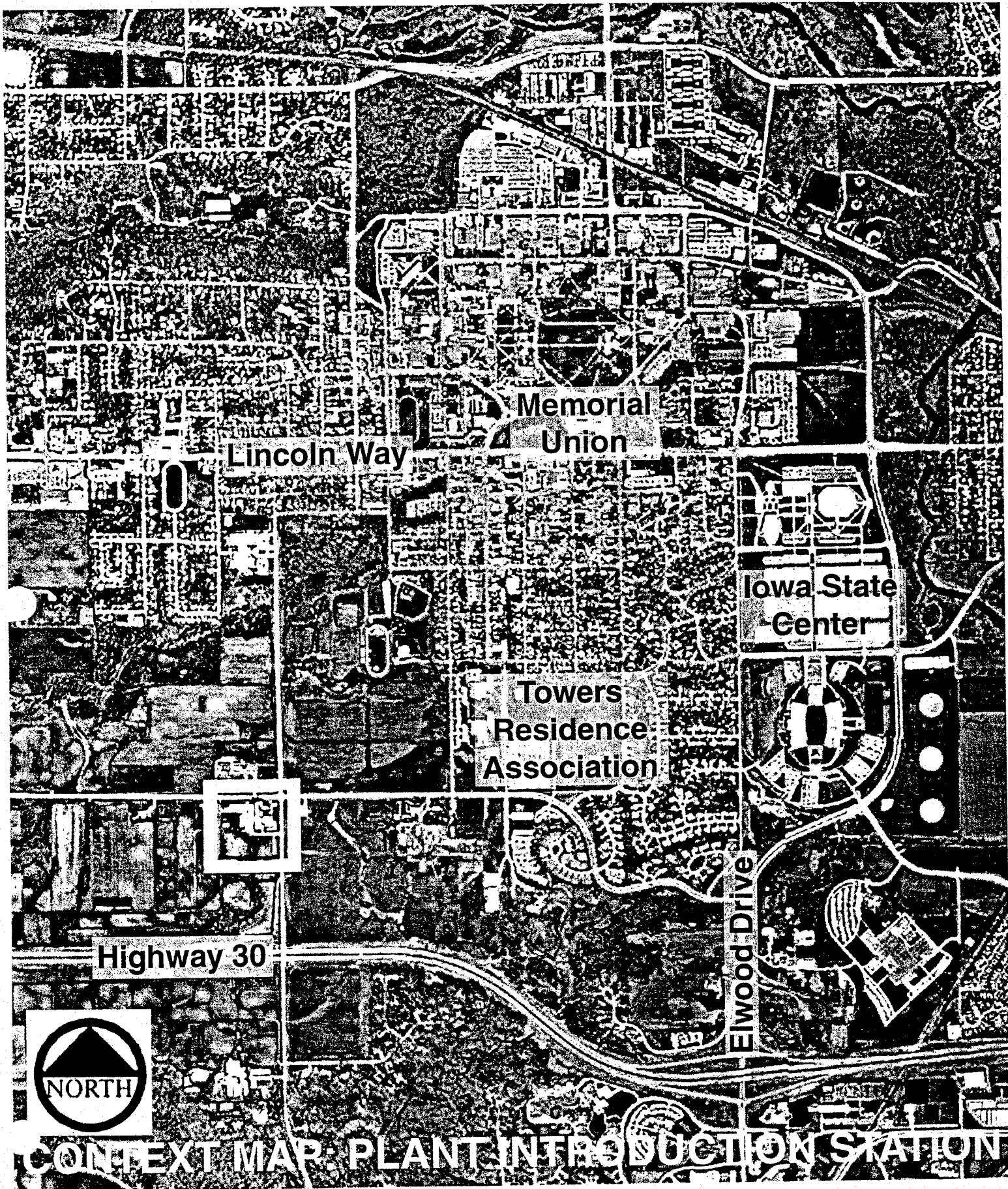
Gary Rima, General Manager

Gary Rima has a service contract arrangement with the University Athletic Department to provide radio play-by-play for the Panther Sports Radio Network for men's football and basketball games. He also serves as the host of a live radio call-in show for the men's basketball program. In addition, Gary's son, Todd, is employed by the University as an assistant baseball coach, and his son, Travis, is a freshman on the University baseball team.

City of Waterloo

John R. Roof, Mayor

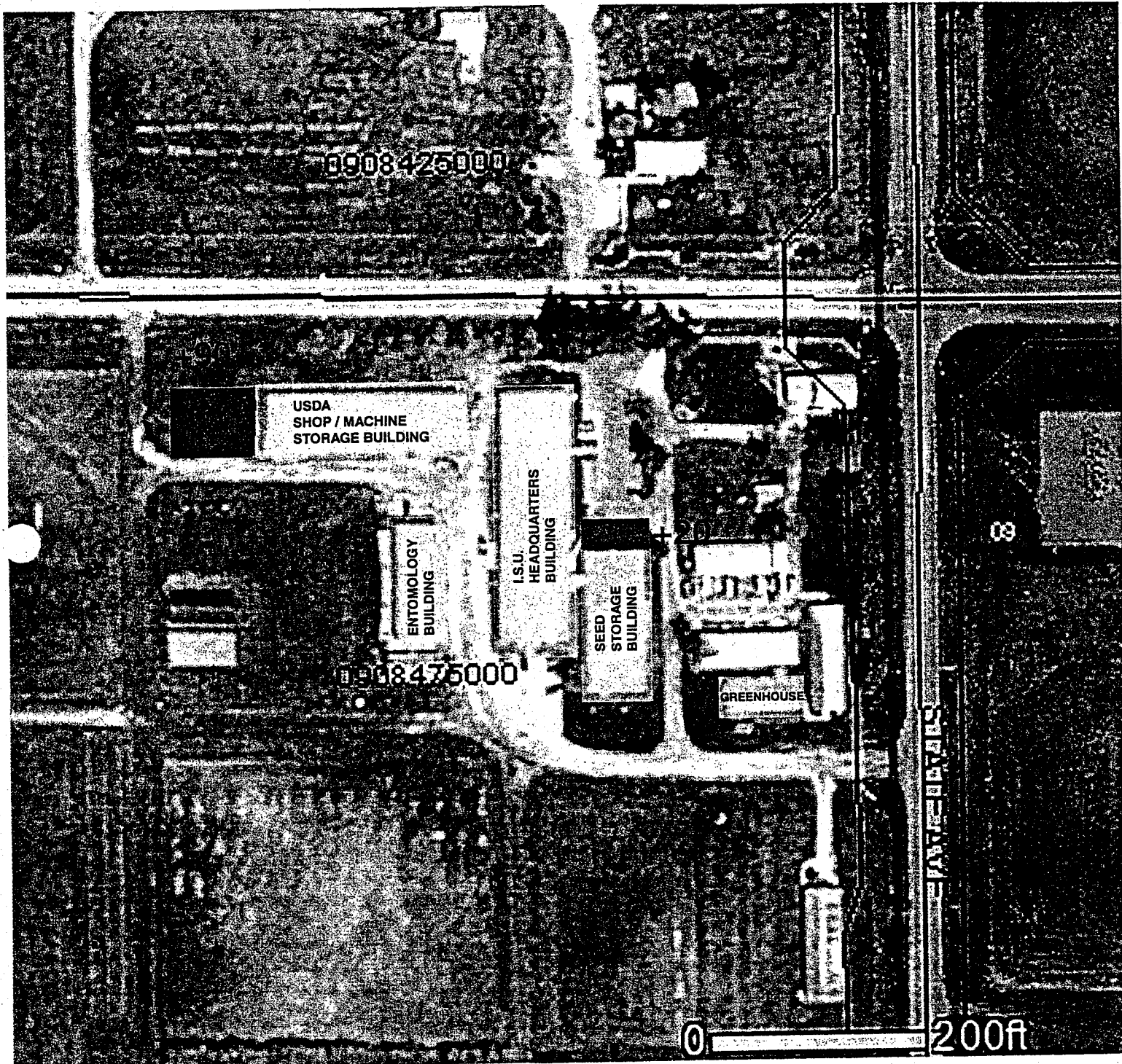
The principal has no affiliation with the University.



AMENDMENT TO LONG-TERM LEASE FOR PLANT INTRODUCTION STATION

March 21-22, 2001

Board of Regents Meeting



LEGEND



Current Lease

Proposed Lease Amendment #4 (2001)



